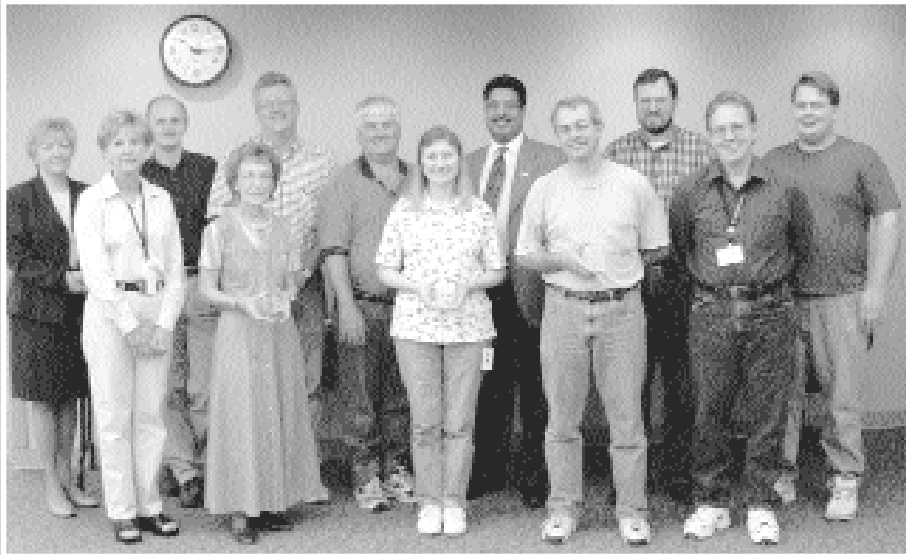


# *2001 Annual Report*



**Cover Photo:** Winners of the 2000 DOLIR Team Award for their work on the Internet Claims Filing Project are (from left to right): **Front Row:** Judy Stegeman, Thelma Mirts, Monica Smith, Barry Beach, John Helmig. **Back Row:** Marilyn Hutcherson, Doug Kaylor, Alan Spears, Donald "Doc" Distler, John Namassy, Randy Wilkerson, James Meyer. **Not Pictured:** Bruce Berger, Rob Brown, Rhonda Deker, Jackie Duff, Bill Frank, Joe Harrison, Janet Lepper, Terry Malone, Nancy Miller, Jearl Reagan, Don Slinkard, Dave Strange.

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# INTRODUCTION

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The Missouri Department of Labor and Industrial Relations is responsive to the workplace needs of employers and employees. Our goal is to provide employees with safe and healthy workplaces and ensure economic security for all Missourians by promoting equal access to jobs, enforcing anti-discrimination laws and awarding payment of compensation to those unemployed, injured at work and victims of crime.

The Department is responsible for administering programs that:

- Provide an income contribution for workers to offset the loss of a job due to injury or layoff.
- Mediate and issue resolutions between certain management and labor groups.
- Regulate wages for public works and construction projects.
- Promote safe working environments.
- Enforce Missouri's anti-discriminatory statutes.
- Promote equal access and full participation in our society for all individuals with disabilities.

Internal and external challenges facing the Department were identified for fiscal year 2001. They were: Diversity, Economic Security, Internal Workforce, Safe and Healthy Workplaces and Quality Performance and Efficient Service Delivery. The following are goals identified to create the direction for the Department and achieve its mission and vision.

- Promote and protect Missouri citizens' equal access to service and jobs.
- Provide a financial safety net for the employed, unemployed, injured workers and victims of crime.
- Ensure workers have safe and healthy workplaces.
- Increase efficient operations and promote responsible spending within state government through high performance and service delivery.

Accountability through performance measures is key to a successful agency. In fiscal year 2001, the Department concentrated on measures dealing with diversity in the workplace, citizens (working, unemployed and injured) receiving wages and benefits due them, reducing workplace hazards and decreasing processing time on cases.

The following report provides a glimpse at the accomplishments and successes of the Department. We look forward to meeting new challenges and exceeding customer expectations in the years ahead.

*Refer to page 16 for a complete listing of all programs and services provided by the Department.*

# ***HELPING MISSOURIANS AT WORK***

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Following are a few examples of how the Missouri Department of Labor and Industrial Relations has successfully helped working Missourians in fiscal year 2001.

## **On-Line Claims Make Filing for Unemployment Insurance (UI) Benefits More Efficient.**

In December 2000, the Department began offering Missourians the option to file UI claims via the Internet. Claimants can now access the electronic filing system 24-hours a day from any computer with Internet access.

The Internet claims project was part of the Department's initiative to streamline programs and services. The decision to move in this direction was driven by three primary factors. First, the Regional Claims Centers (RCCs) receive over 300,000 telephone calls annually. This large number of calls stresses the staff's ability to respond and creates unacceptable delays in answering customers' calls. Second, it would provide customers with an alternate, convenient and private method of filing for UI benefits. Third, the technology was available and adaptable to provide a safe and secure transaction process.

While the Internet claims project will not replace the RCCs, it will significantly improve customer service by potentially reducing the number of calls into the RCCs by 25 percent. The Internet claims filing system was also designed with an "open architecture" that allows for the easy addition of other UI functions. This is important for the Department's goal of continuous improvement in customer service.

Missouri is one of the first states in the nation whose technology allows for the immediate match of the claimant's name and social security number with computer records of employer-reported wage data, without staff intervention. Since initiating the Internet claims filing system, initial claims filed through this method began at five percent of the total claims and has increased to a current rate of seven and a half percent of the total claims filed. Customer surveys indicate that 96.6 percent of Internet claimants "agree" or "strongly agree" that the Internet claims filing system is easy to use.

## **Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses Team Receives High Honor.**

The Research and Analysis section annually collects survey reports from approximately 5,400 private industry establishments in Missouri. The survey reports include the number and frequency of work-related injuries and illnesses. Many employers complained the Survey of Occupational Injuries and Illnesses (SOII) booklet was thick and difficult to complete. The Research and Analysis team created a one-page response form that is mailed to private industry employers along with the SOII booklet. This form simplified the reporting process for Missouri employers. If employers had no injuries or illnesses to report for the survey year, the employer could complete the single page form rather than the booklet. This saved employers an exceptional amount of time.

The one-page response form was more efficient for employers to complete and improved the current response rate by 14 percent and the current survey rate by 11 percent from the equivalent time last year. The Department has also witnessed a cost savings and increased efficiency within the Research and Analysis section. Increased responses from employers reduced the volume of follow-up survey mailings to employers. The volume of envelopes used in the second mailing was reduced approximately 700 or by 27 percent from the equivalent time last year. This reduction in volume also reduced costs by approximately \$600. The time saved from telephone and mail follow-up is approximately four working days per person.

## **Blue Springs Businessman receives Outstanding Youth Employer Award.**

In May 2001, the Department presented its first award acknowledging Missouri businesses that go beyond the child labor statutory requirements in providing a safe environment for working youth.

Art Phillips is a McDonald's franchisee who owns and operates seven McDonald's Restaurants in the Blue Springs area. Two of his stores received the "Outstanding Youth Employer Award." In addition to complying with child labor statutes, Mr. Phillips protects young workers by having them wear slightly different colored uniforms so that managers can readily determine if the youth are in the proximity of any hazardous equipment.

## **Missouri is Among Five States to Serve on a Committee for the National Metal/Non-Metal Mine Rescue Contest.**

Steve Dunn, program manager for the Mine and Cave Safety and Health Program, was selected to serve on a national committee for the National Metal/Non-Metal Mine Rescue First Aid Contest. Dunn was asked to write rules and regulations for the first aid competitions.

The National Mine Rescue Contest is hosted by the Mine Safety and Health Administration (MSHA). Mining companies throughout the United States compete in the areas of field problems, first aid, bench and a written examination. Mine rescue teams from around the country practice their skills in the proper and systematic exploration of mines, ventilation techniques, firefighting and evacuation of mines. They also use their skills in lifesaving and first aid techniques in the mine to extricate mock patients.

## **First Annual Missouri Youth Leadership Forum Proves Successful for All.**

In August 2001, the Governor's Council on Disability hosted its first annual Missouri Youth Leadership Forum (MYLF). MYLF is a unique career leadership training program for high school juniors and seniors with disabilities. It provides young people with disabilities an opportunity to learn and practice leadership, citizenship and personal growth skills, thereby enhancing both their employment potential and their ability to contribute to society.

Sixteen student delegates from across the state participated in MYLF. The intense four day forum gave the delegates an opportunity to work in small groups, as well as participate in large group discussions that included "What is Leadership," "Leading in the Community," and "Technology and Resources to Reach My Goals."



*Student delegates at the 2001 Missouri Youth Leadership Forum enjoy bowling as part of the annual event.*

An exciting aspect to the forum was that student delegates were exposed to successful adults with disabilities as role models. This group helped the student delegates to view themselves positively and set high goals for themselves. One student delegate said, "Before this, I didn't know people with disabilities could go as far as everybody else."

Although the forum is held once a year, the student delegates continue to follow through on various goals defined in the "Personal Leadership Plan" they have constructed for themselves.

## **Forum Teaches Businesses About Prevailing Wage Law.**

The Department held a free informational meeting on Missouri prevailing wage law in August, which was conducted simultaneously at locations around the state using the University of Missouri Telecommunication Community Resource Center (TCRC) Network. The forum proved to be a cost-effective and efficient way to provide important information to employers in various parts of the state.

Jim Boeckman, assistant director of the Division of Labor Standards, presented prevailing wage information to general contractors, school districts, fire districts, ambulance districts, water districts and public entities such as city and county governments. Division personnel were also available at each of the participating sites to answer questions.

The goal of the forum was to educate public employers about the prevailing wage law and help ensure that those workers affected by it receive the wages to which they are entitled.

## **Telecommunications Access Program for Internet is First in the Nation.**

The Telecommunications Access Program (TAP) for Internet began operation in June 2001. Through TAP for Internet, qualified Missourians with disabilities who have a computer and Internet access are provided adaptations such as screen readers, enlarging software, voice input software and alternative keyboards to assure effective and efficient Internet access.

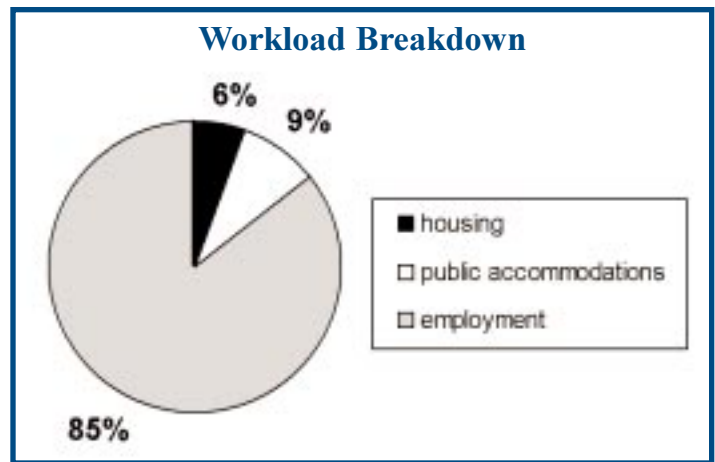
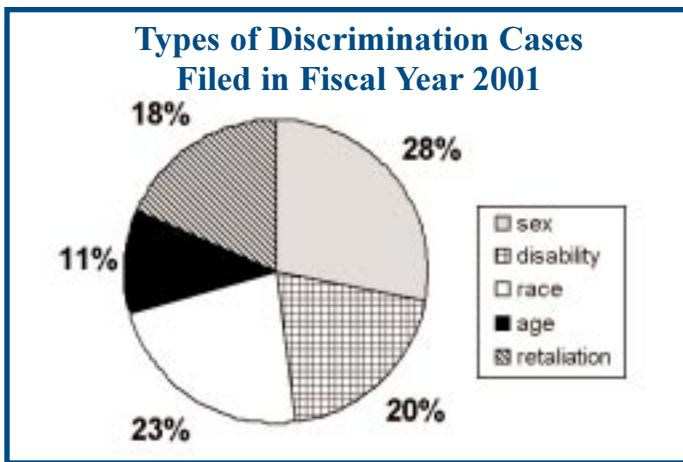
After one month of operation, the program purchased 224 adaptive computer devices and trained a group of consumer support providers from around the state.

# DIVERSITY

As demographics continue to change throughout Missouri, there is increased opportunity for intergroup conflict among diverse ethnic, racial, disabled and gender groups. This conflict can contribute to crime, economic instability and racial and ethnic unrest. The Department is committed to diversifying its workforce to reflect the diversity of Missouri's citizens, enforcing anti-discrimination laws and promoting equal access to services and jobs.

The Missouri Commission on Human Rights and the Governor's Council on Disability provide education and outreach regarding rights and responsibilities under the Missouri Human Rights Act and the Americans with Disabilities Act (ADA). Due to increased outreach by these agencies, more Missourians are becoming aware of their rights under the law. As a result, the Department experienced a five percent increase in the number of discrimination cases filed over the previous fiscal year.

The Missouri Human Rights Act requires the Commission to receive and investigate complaints of alleged discrimination in the areas of housing, employment and public accommodations, due to race, color, religion, national origin, ancestry, sex, disability, age (in employment only) and familial status (in housing only). In fiscal year 2001, the Commission received nearly 13,000 inquiries about filing a complaint. During the same period, 1,682 complaints were received. Case processing times for investigation currently average 204 days on 90 percent of cases.



Education and outreach are integral functions of the Commission. The Commission assists businesses, state and local governments and citizens of Missouri in learning how to prevent and eliminate discrimination. It provides education on the protections provided by the Missouri Human Rights Act including, but not limited to, presentations on race, disability and housing discrimination, sexual harassment, cultural sensitivity and employer rights and responsibilities. In fiscal year 2001, the Commission conducted 130 training programs with a combined attendance of 5,628. Since the early 1990's, the most requested area of training was sexual harassment. In fiscal year 2001, for the first time, the most requested area of training was cultural sensitivity reflecting the increasing multicultural nature of our society.

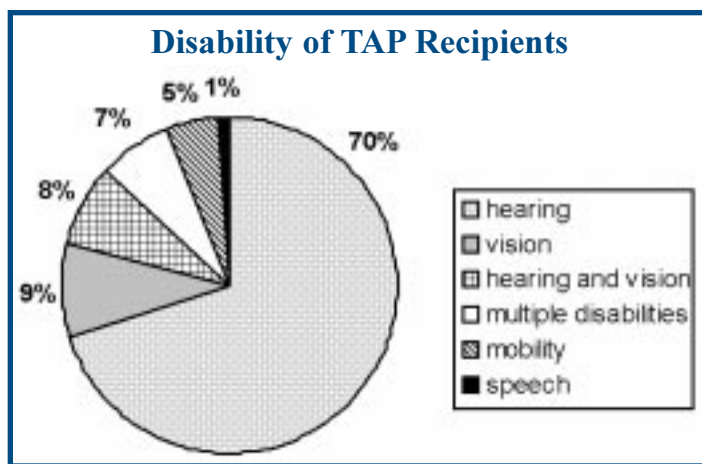
Another function of the Department is to serve as an advocate for nearly one million individuals with disabilities. A main component of the work of the Governor's Council on Disability is to increase the number of disabled Missourians who obtain competitive, integrated employment. Since 1993, the Missouri Assistive Technology Program has provided access to assistive technology for all Missourians with disabilities. In fiscal year 2001, the program increased adaptive telecommunications equipment provided to disabled Missourians from 2,847 to 6,070 units; a 113 percent increase. Types of equipment included amplified telephones, signaling devices, hands free telephones, voice carry over telephones and others. Forty percent of the telecommunications equipment is provided to customers between the ages of 76 and 90.



For many disabled Missourians, assistive technology is the missing tool that can equalize their access to services in their community and in employment, as well as helping them become integrated into other aspects of community life.

The Department is also supportive of minority and women owned businesses in Missouri. In fiscal year 2001, we challenged ourselves to secure over 25 percent of agency purchases from these certified vendors. In 2001, the Department received one of the Governor's Torch of Excellence Awards. These awards are presented to state agencies that show the most effective leadership and exemplary efforts in the area of diversity in procurement.

While the Department is proud to receive this recognition, it is also proud to recognize individuals, businesses, schools and organizations in Missouri who have contributed to helping persons with disabilities achieve equal opportunity and independence.



*Department Director Catherine Leapheart, GCD Chairman Jim Tuscher and Executive Director Mark Pickering with members of That UPPITY Theater Company, winners of an Inclusion Award.*

Each year the Governor's Council on Disability sponsors an annual Inclusion Awards contest and reception. The awards are based on contributions and efforts of inclusion in the areas of employment, education, parenting, advocacy and community.

A committee selects recipients based on the nominees' leadership and achievements towards inclusion. State and community leaders address guests at the reception and assist in presenting the awards.

# ECONOMIC SECURITY

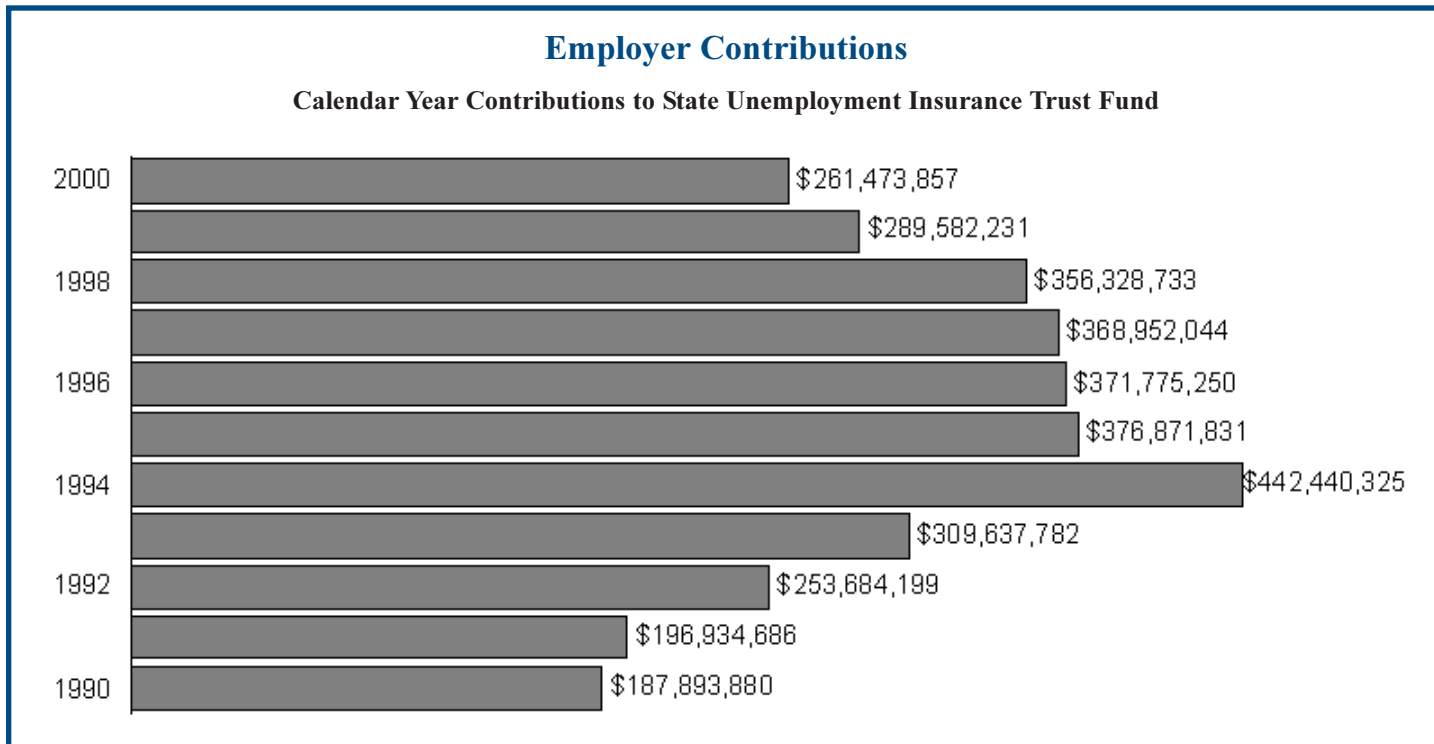
All Missourians should have the opportunity to work to their fullest potential for the benefit of themselves and their families. There is a responsibility to promote economic security both by increasing the opportunities for jobs and providing for the payment of compensation to individuals who are unemployed, injured or victims of crime. Failure to provide economic security will ultimately increase poverty among Missouri families. The goal of the Department is to provide a financial safety net for the unemployed, injured workers, victims of crime and their families. These safety nets are implemented through the Unemployment Insurance, Workers' Compensation and Crime Victims' Compensation programs.

## Unemployment Insurance

The Division of Employment Security administers the state's unemployment insurance (UI) program and various related federal programs. The unemployment insurance program provides a measure of protection against loss of wages for workers who become unemployed through no fault of their own. The unemployment benefits paid to eligible workers support the economy of Missouri during periods of economic downturn by helping stabilize the level of consumer purchasing power.

## Contributions

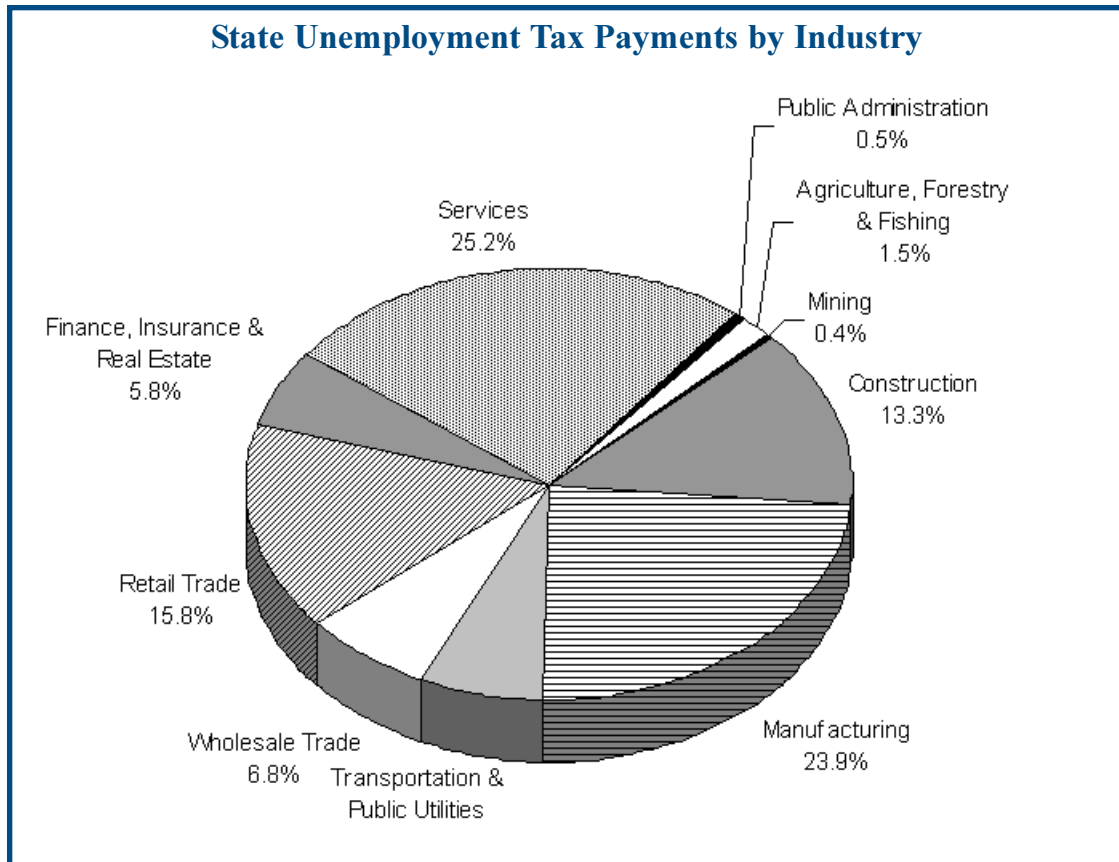
The Division of Employment Security's contributions staff strives to ensure that employers accurately classify their workers, report workers' wages and pay the correct amount of unemployment taxes on a timely basis. The Division's Employer Contributions Section and Contributions Field Section work collaboratively to accomplish this goal. One outcome of accurate and timely wage reporting is more prompt payment of unemployment benefits to eligible claimants.



During fiscal year 2001, there was a slight increase in the number of liable employers in the state from 127,072 in fiscal year 2000 to 128,773 in fiscal year 2001. In the administration of the unemployment insurance laws, the contributions

staff was successful in establishing 13,840 new employer accounts, inactivating 11,073 accounts and transferring 4,362 accounts. The staff successfully dealt with approximately 3.2 million wage items (employees) reported by employers each quarter.

The Division accounted for \$237,462,090 in contributions collected from the state's liable employers. Interest, penalties, reimbursement from federal unemployment insurance programs for ex-military personnel and United States government employees and certain other programs brought the total receipts to \$300,710,148 deposited into Missouri's unemployment insurance trust fund.



Several other objectives were realized as a result of proactive strategies within the Contributions sections. The Division actively collected \$25,503,663 in delinquent employer accounts. A total of \$30,780,088 in interest earnings was credited to the unemployment trust fund from the United States Treasury. This positive outcome is due, in part, to a special deposit unit that is assembled each quarter to ensure the rapid deposit of employers' contributions to the trust fund. According to the latest available figures, the Division deposited 100 percent of all contributions within three days of receipt.

The Contributions Field staff conducts compliance audits of active contributory employers. Quality compliance audits and conformity in employer reporting offers a competitive market for business when all employers pay an equitable share of the contributions to the unemployment insurance trust fund. Federal performance guidelines for tax compliance audits are set at two percent of active, contributory employers each year to measure the accuracy of reporting workers' earnings for calculating unemployment benefits. An objective of the Division has been to exceed this performance standard. In fiscal year 2001, contributions staff audited 2.5 percent of the state's active, contributory employers.

Customer satisfaction is an important objective of the contributions staff. A customer survey has been employed to measure this outcome and identify areas needing improvement. Employers and their accountants voluntarily returned surveys that showed a 98 percent positive response to their contacts with the Division's audit staff.

In a continuing effort to obtain a broader and more accurate information base, the Division is committed to increasing the number of audit surveys returned by employers and accountants. The information is important for future goal setting such as responding to the educational needs of the employer community and improving the quality of the audit function.

Information, along with periodic updates, is available on the contributions web site: [www.dolir.state.mo.us/es/ui-tax/main.htm](http://www.dolir.state.mo.us/es/ui-tax/main.htm).

An additional objective this fiscal year was to assess employer interest in the development of automated and/or electronic services. Preliminary survey results were positive, indicating support for enhanced services.

The Division of Employment Security, the Missouri Department of Revenue, and the Internal Revenue Service have collaborated to develop a process that will allow employers to file a single application and receive a reporting number to be used for federal and state taxes. The design will also allow applications to be prepared over the Internet or as a paper document.

To help us provide better service to our employer customers and to improve operational efficiency, the Division's Information Systems section and Contributions sections have begun rewriting the existing automated tax programs. This multi-year project is to be implemented in three phases: 1) collections; 2) initial registration and liability functions; and 3) tax accounting functions. The UI Contributions sections are also in the initial planning stages of developing an Internet system for employers to file their quarterly contribution and wage reports and pay their tax due.

Contributions staff members throughout the state are committed to educating employers so they may better comply with the unemployment insurance laws and regulations. Emphasis is placed on voluntary reporting of workers' wage data and timely contribution payments.

## Unemployment Insurance Benefits

The prompt payment of unemployment benefits to eligible claimants is the primary objective of the Division's claims staff. The Division's efforts resulted in an outcome of 86.3 percent of first payments being made within 14 days of the end of the first compensable week.

While the majority of claims are filed by staff in one of the four Regional Claims Centers (RCCs) located in Jefferson City, Kansas City, St. Louis and Springfield, claimants now have an Internet filing option. Last year Employment Security received a grant to implement an Internet initial claims filing system that has been on-line since December 18, 2000. This enhancement gives UI customers additional options in filing new, renewed and reopened claims and is a factor in reducing customer abandonment of telephone calls to the claims centers.

The Internet claims filing system further supports UI efforts to connect customers with the reemployment services of the Missouri Career Centers. Once the claimants have received confirmation that their claims have been filed, they are connected to the MissouriWORKS! website and are encouraged to search for work by occupation, region or both.

The RCCs in fiscal year 2001 experienced a substantial increase in the number of initial claims. The number of initial claims filed for the period of October 2000 through June 2001 rose 35.7 percent compared to October 1999 through June 2000. The number of calls to the RCCs for the same comparison period rose 15.6 percent. The total number of new claims filed through the RCCs in fiscal year 2001 was 390,656, which is a 19 percent increase compared to fiscal year 2000. Of those filing a claim, 86.2 percent met the earnings requirements to establish monetary eligibility. Most claimants can file their weekly claims, without the cost of postage, by using the Interactive Voice Response (IVR) system. Claimants filed 2,598,830 weekly claims in fiscal year 2001 and the Division paid a total of \$414,096,970 in

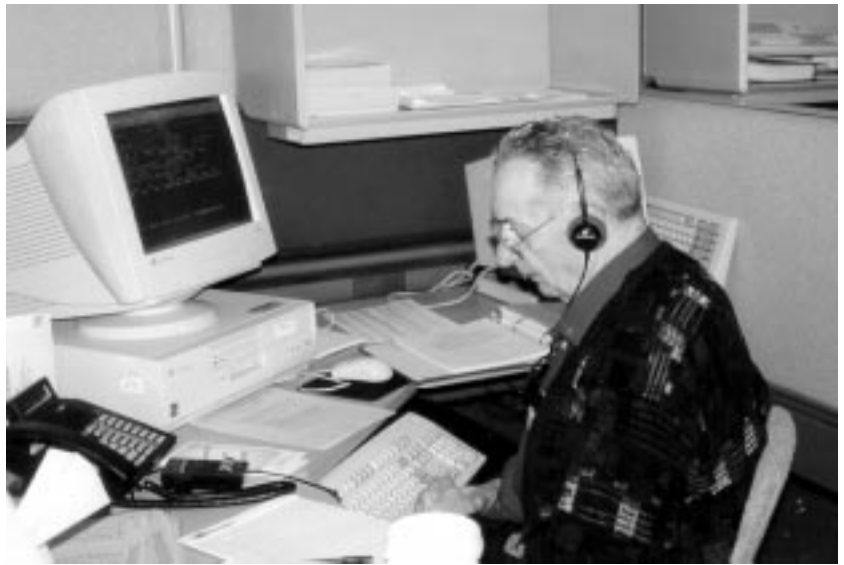
### UI Wages and Benefits

Calendar Year	Average Weekly Wages	Average Weekly Benefits
1998	550.93	157.84
1999	571.39	168.82
2000	598.95	180.86

unemployment benefits. Planning is being done to expand the Internet claims filing system to allow claimants to file their weekly claims via the Internet as well.

The claimants who meet the earnings requirements for a UI benefits claim are subject to non-monetary provisions of the law relating to job separation and eligibility criteria while claiming unemployment benefits. Job separations for reasons other than a lack of work (quits, discharges, etc.) or refusals of suitable work will raise an issue that must be examined for potentially disqualifying information.

The staff at the Claims Centers undertook investigations in fiscal year 2001 that resulted in 261,715 determinations being issued. The claimant was disqualified or denied benefits for one or more weeks in 63 percent of the cases requiring investigation.



*K.L. Sander, Claims Technician with the St. Louis Regional Claims Center, assists customers regarding unemployment insurance benefits.*

One goal is to make claims taking more efficient for the Division and more accessible for claimants. By using the telephone or utilizing the Internet option to file unemployment claims, claimants no longer have to drive many miles to an office to file a claim and potentially wait for a long period of time before being served by a staff member. In fiscal year 2001, the Claims Centers answered 427,801 calls relating to the filing of an initial claim. This reflects a 12 percent increase compared to the previous year. During the same time, the Claims Centers answered an additional 467,113 informational calls. This brings the total number of calls answered to 894,914.

### Unemployment Insurance Claims and Benefits

Calendar Year	First Payments	Weeks Compensated	Benefits Paid \$(000)	Average Weekly Benefit	Average Duration (Weeks)	Exhaustion Rate (%)	Reserves Dec. 31 \$(000)
1997	140,255	1,777,131	263,307	149.36	13.1	27.1	396,668
1998	140,361	1,760,680	277,814	157.84	13.0	24.9	491,037
1999	132,144	1,725,419	291,236	168.82	13.6	26.3	509,780
2000	137,426	1,800,952	325,707	180.86	13.6	26.9	459,192

The Claims Centers provide better customer service by allowing the Division to move parts of the workload throughout the system during peak filing periods. For instance, in the Branson area, the unemployment benefits filings are very high during the tourist off-season. By shifting part of the workload from the Springfield Claims Center (which serves the Branson area) to others within the system, the calls can be answered more quickly and efficiently for customers.

Efficient recovery of overpaid unemployment benefits and unpaid employer tax is another goal of the Division. Part of those efforts involve collaboration with the Missouri Department of Revenue to intercept state income tax refund checks from individuals and employers with outstanding unemployment insurance debts. The Division, in fiscal year 2001, has successfully intercepted \$1,156,715 from state tax refunds to apply toward repayment of overpaid UI benefits where the fault for the overpayment was determined to be with the claimant. During the same fiscal year, the Division has collected \$249,783 of debt owed by employers.



Another collaborative effort involves the collection of delinquent child support payments through the withholding of unemployment benefits. This withholding can be voluntary or through garnishment. Unemployment benefit withholding accounted for payment of \$4,135,697 in delinquent court-ordered child support payments in fiscal year 2001. A new strategy to improve efficiency involved using direct deposit to transfer the withheld unemployment benefits to the Division of Child Support Enforcement. Using direct deposit saves the time and cost of writing checks, postage and mailroom staff time and replacing checks that may be lost in the mail.

## **Appeals**

The appeals process is an important part of the unemployment insurance system because it directly contributes to providing a financial safety net and economic stability for the citizens of Missouri. The Appeals Tribunal provides due process hearings in appeals arising under all programs administered by the Division of Employment Security. Issues include unemployment insurance benefit entitlement, Trade Readjustment Assistance entitlement and tax liability of employers under the Missouri Employment Security Law.

During fiscal year 2001, the Appeals Tribunal decided 250 tax liability appeals and 24,316 benefit entitlement cases.

## **Workers' Compensation**

Workers' Compensation provides services to injured workers and their employers. Services include resolving disputes, processing the payment of workers' compensation benefits, providing safety services, investigating fraud and noncompliance and providing services to self-insured employers. In fiscal year 2001, the Division processed over 165,000 reports of injury.

## **Crime Victims' Compensation Program**

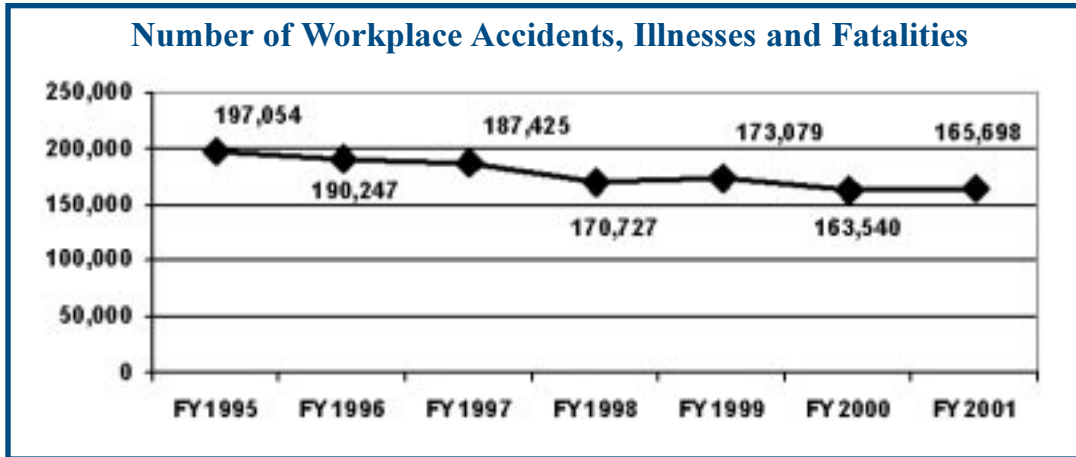
The mission of the Missouri Crime Victims' Compensation Program is to financially assist as many victims of violent crime as possible by paying for medical services, counseling services, funeral expenses and lost wages/support in the shortest time possible.

In fiscal year 2001, the program awarded over \$5.6 million to victims of violent crime and their families. This was a five percent increase over fiscal year 2000. The program experienced an increase in the number of applications received. This increase can be partially attributed to the extensive outreach education campaign that has occurred over the past few years.

# SAFE AND HEALTHY WORKPLACES

Unsafe workplace practices endanger the health and safety of Missouri's workforce and can hinder the educational opportunities and development of working children. Increased accidents, illnesses, fatalities and low morale of affected workers decrease employers' productivity and increase production and insurance costs. The Department's goal is to ensure that workers have safe and healthy workplaces.

The Department offers three safety and health programs; Missouri's Workers' Safety, On-Site Safety and Health Consultation and Mine and Cave Safety Training and Inspection. The programs are designed to educate employers and employees of their workplace rights and responsibilities.



There has been a significant reduction in workplace injuries in Missouri since workers' compensation reform legislation was enacted in 1993. Injuries have dropped from a record high of 197,054 in fiscal year 1995 to 165,698 in fiscal year 2001, a 16 percent decline over the period. The magnitude of this decrease in workplace injuries is even more

pronounced when compared to the over nine percent increase in persons employed in Missouri, from 2.5 million in 1995 to nearly 2.8 million in 2001.

Such declines in workplace injuries translate into lower costs to employers for lost wages and medical care for the injured worker. Payments for permanent partial disability, the benefit paid to injured workers who have experienced a permanent disability because of a workplace injury, declined nearly 15 percent between 1994 and 1998, recent years with the most complete data. Drops of 10.8 percent and 11.7 percent in temporary total disability (the replacement wage benefit paid to injured workers who miss work because of an injury) and medical costs respectively were seen over the same period.

## Workplace Safety

The Division of Labor Standards, which houses the On-Site Safety and Health Consultation and the Mine and Cave Safety Training and Inspection Programs, performed over 1,519 consultations and inspections affecting 73,792 of Missouri workers during fiscal year 2001.

Missouri's workplaces became much safer as a result of the safety programs offered through the Department. Nearly 6,000 workplace hazards were eliminated. The identification and elimination of these workplace hazards resulted in \$3 million of potential OSHA and MSHA fines and penalties being avoided by Missouri small business employers and mine owners.



*Troy Hart (center), of the Division of Labor Standards, during an on-site safety and health consultation visit.*

The On-Site Safety and Health Consultation Program continues to increase the percentage of consultative visits to Missouri's high hazard industries. Consultants continue to receive specialized training designed to heighten awareness of the hazards in these specific industries. The program also focuses on ensuring hazards are abated in a timely manner by employers to better protect our Missouri workers.

While the primary responsibility of reducing injuries and illnesses in the workplace rests with the employer, the Division of Workers' Compensation offers two services that directly impact the rate of injuries occurring in Missouri. The Missouri Workers' Safety Program works directly with employers in suggesting ways to reduce workplace hazards and minimize injuries. In fiscal year 2001, the program provided services to 660 Missouri businesses that affected approximately 74,000 employees. Also, the Division conducts educational programs that provide vital information to employers and insurance companies so that steps can be taken to reduce injuries in the workplace.

The primary way to lower workers' compensation costs for Missouri employers is to control the rate of accidents and illnesses that occur in the workplace. A low incident rate of injuries in the workplace not only reduces the disability and medical costs that are incurred by an employer, but also increases productivity for the employer. In fiscal year 2001, the Workers' Safety Program increased cost savings for Missouri businesses through recommended workplace abatements equaling over \$2.8 million.

## Youth in the Workplace

Each year, many youth under the age of 18 are injured on the job. Last year, over 3,000 of Missouri's youth were injured seriously enough to file a workers' compensation claim. Since fiscal year 1998, over 19,000 child labor violations have been found. Correction of violations leads to more youth working in safe and healthy workplaces and provides for better achievement of educational goals.

Over 90 percent of child labor violations cited have been a result of youth having no work certificates and working improper times or hours. Young persons under 16 can work during the school term if they first get a work certificate. However certain restrictions apply. These youth may not be employed during the school year for more than three hours on any school day or for more than eight hours on any non-school day and no later than 7:00 p.m. during the school year and 9:00 p.m. in the summer.



*Department Director Catherine Leapheart with one of the winners of the 2001 Child Labor Calendar Contest.*

The Division of Labor Standards' Wage and Hour Section ensures no child under 16 years of age is employed in an occupation, or in a manner, that is hazardous or detrimental to the child's safety, health, morals, educational processes or general well-being. The Division investigated and resolved over 6,000 violations of Missouri's Child Labor Law in fiscal year 2001.

In an effort to increase awareness of youth workplace injuries, the Division of Labor Standards launched a Child Safety Calendar Contest. The contest was open to all sixth, seventh and eighth grade students throughout Missouri. Contestants were asked to illustrate their interpretation of youth working safely. The winning illustrations were compiled into a 2001 calendar and mailed to area schools, superintendents and legislators.



# QUALITY PERFORMANCE AND EFFICIENT SERVICE DELIVERY

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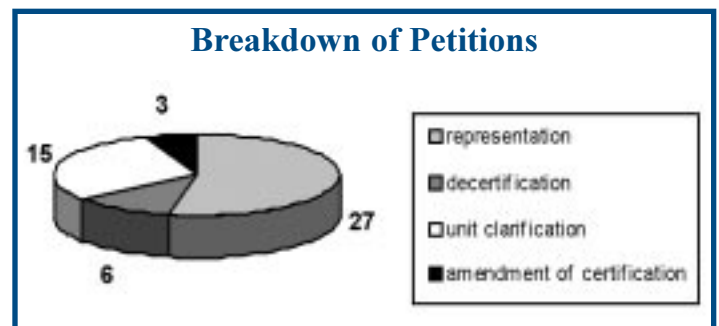
Missourians deserve services provided in the most effective and efficient manner. The Department is responsible for providing services that are easy to access and show timely results while maintaining quality. The Department must continue to review internal processes to guarantee it is meeting and exceeding Missourians' expectations. A goal of the Department is to increase efficient operations and promote responsible spending through high performance and service delivery.

Throughout the year, the Department focused on decreasing processing time for cases. Timely resolution of workers' compensation, appeals, unemployment insurance and crime victims' cases results in prompt payment to eligible claimants. The payment of compensation provides a financial safety net for the unemployed, injured and victims of crime.

In fiscal year 2001, the Labor and Industrial Relations Commission focused on decreasing the average length of time required to settle unemployment insurance appeals cases from 90 to 80 days. By reviewing reports and case tracking, the Commission was successful in meeting its goal of 97 percent. Improved customer service is gained when timely decisions are issued.

The State Board of Mediation is charged with determining an appropriate bargaining unit of employees based on whether or not they share a community of interest. In fiscal year 2001, the Board received 51 petitions and 126 requests for technical assistance.

The Board performed one formal hearing and 25 representation elections. The Board exceeded its performance measure of providing timely and quality service to Missouri's public employees and employers in resolving issues concerning union representation by working within established time frames to avoid delays in the process by nearly 10 percent.



To ensure timely resolution and prompt payments, the Division of Workers' Compensation began monitoring case resolution time from the First Report of Injury (FRI) to the time an adjudication service is provided in fiscal year 2001. They are striving to decrease the processing time for a case from the First Report of Injury (FRI) to the time an adjudication service is provided. At the end of fiscal year 2001, the average number of days to process a case from the FRI to the time an adjudication service was provided was 94 days.

Identifying more timely and cost effective means for the exchange of information between parties is a top priority for the Division of Workers' Compensation. In fiscal year 2001, the Division increased the participation of insurance companies and self-insured employers using the Electronic Data Interchange (EDI). EDI technology allows the Division to receive reports of injury electronically. The Division received electronic reports of injury from 25 insurance companies and self-insured employers including Liberty Mutual, Kemper, Aetna, Missouri Employers Mutual, Travelers and Ford Motor Company. Additional companies are in testing for EDI filing. Over 165,000 reports of injury were filed through EDI last year. By the end of fiscal year 2001, 41.8 percent or 69,397 of all reports of injury were filed through EDI. This represents an 11 percent increase over the previous fiscal year.

Another goal of the Department is to strengthen departmental support of business needs through automation. As the Department moves forward in the 21st century, the need for automation is crucial to providing quality programs and

services. Continuous improvement in the quality and timeliness of services is essential to a successful organization. Technology will assist the Department in achieving higher levels of customer service and productivity. Internal information systems' staff exceeded management expectations by increasing the number of outstanding information systems items closed from 2,882 to 9,464; a 228 percent increase. This resulted in the completion of problems and projects in a timely manner.

As part of a department wide effort, the Labor and Industrial Relations Commission redesigned its web site to improve customer service, conserve revenues and offer time sensitive information. For the first time, the Commission placed the hearing docket for prevailing wage objections on its web site; no longer providing hard copies after original is sent. This change resulted in a cost savings for the Commission and kept the public abreast of up-to-date information.

# **PROGRAM REVIEW**

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## **DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

### **Office of the Director**

3315 West Truman Boulevard  
PO Box 504  
Jefferson City, MO 65102-0504  
Telephone: (573) 751-9691  
Fax: (573) 751-4135  
Home page: [www.dolir.state.mo.us](http://www.dolir.state.mo.us)

### **Labor and Industrial Relations Commission**

3315 West Truman Boulevard  
PO Box 599  
Jefferson City, MO 65102-0599  
Telephone: (573) 751-2461  
Fax: (573) 751-7806  
Home page: [www.dolir.state.mo.us/lirc](http://www.dolir.state.mo.us/lirc)

### **Division of Employment Security**

421 East Dunklin Street  
PO Box 59  
Jefferson City, MO 65104-0059  
Telephone: (573) 751-3215  
Fax: (573) 751-4554  
Home page: [www.dolir.state.mo.us/es](http://www.dolir.state.mo.us/es)

### **Division of Labor Standards**

3315 West Truman Boulevard  
PO Box 449  
Jefferson City, MO 65102-0449  
Telephone: (573) 751-3403  
Fax: (573) 751-3721  
Toll-free: (800) 475-2130  
Home page: [www.dolir.state.mo.us/lr](http://www.dolir.state.mo.us/lr)

### **Division of Workers' Compensation**

3315 West Truman Boulevard  
PO Box 58  
Jefferson City, MO 65102-0058  
Telephone: (573) 751-4231  
Fax: (573) 751-2012  
Home page: [www.dolir.state.mo.us/wc](http://www.dolir.state.mo.us/wc)

### **Governor's Council on Disability**

3315 West Truman Boulevard  
PO Box 1668  
Jefferson City, MO 65102-1668  
Telephone: (573) 751-2600  
Fax: (573) 526-4109  
Toll-free: (800) 877-8249  
Assistive Technology: (800) 647-8557  
Home page: [www.dolir.state.mo.us/gcd](http://www.dolir.state.mo.us/gcd)

### **Missouri Commission on Human Rights**

3315 West Truman Boulevard  
PO Box 1129  
Jefferson City, MO 65102-1129  
Telephone: (573) 751-3325  
Fax: (573) 751-2905  
Home page: [www.dolir.state.mo.us/hr](http://www.dolir.state.mo.us/hr)

### **State Board of Mediation**

3315 West Truman Boulevard  
PO Box 591  
Jefferson City, MO 65102-0591  
Telephone: (573) 751-3614  
Fax: (573) 751-0215  
Home page: [www.dolir.state.mo.us/sbm](http://www.dolir.state.mo.us/sbm)

# LABOR AND INDUSTRIAL RELATIONS COMMISSION

The Labor and Industrial Relations Commission is composed of three commissioners. The Governor with the advice and consent of the Senate appoints each commissioner to staggered six-year terms. One member of the commission, a licensed Missouri attorney who is qualified by reason of previous activities and interests, represents the public. Another member is classified as representing the employer, while the remaining member represents the employee.

The Commission hears all appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage and victims of crime compensation cases at the highest administrative level. In connection with these appellate duties, the Commission holds hearings and renders written opinions pursuant to the provisions of the Missouri Administrative Procedures Act. These opinions, in turn, are subject to review by the Missouri Supreme Court and by courts of lesser jurisdiction.

The Commission's goal is to provide a consistently impartial and judicially sound resolution to all cases it reviews.

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The following programs operate under the Labor and Industrial Relations Commission.

## **Workers' Compensation Appeals**

The Commission hears all appeals from final awards made by the Division of Workers' Compensation. In addition, the Commission is responsible for any modifications to the final awards, approves settlements and reviews motions for change of condition.

## **Crime Victims' Compensation Appeals**

The Missouri Crime Victims' Compensation Program (under the Division of Workers' Compensation) was enacted to assist victims of violent crimes who have suffered physical injury as a direct result of a crime. Benefits are paid on a graduated scale. An administrative law judge of the Division of Workers' Compensation resolves disputes. The Commission handles all appeals from the administrative law judges' decisions.

## **Unemployment Compensation Appeals**

The Commission hears appeals from the Division of Employment Security's Appeals Tribunal concerning claims for unemployment benefits and employer tax liability. The Commission reviews the record that was before the appeals referee and issues a written opinion.

## **Prevailing Wage Appeals**

The Commission is responsible for hearing objections to the General Wage Order and the Annual Wage Order issued by the Division of Labor Standards. The Commission holds hearings, accepts evidence and testimony from the parties and renders a written decision.

# OFFICE OF THE DIRECTOR

The Omnibus State Reorganization Act of 1974 established the Missouri Department of Labor and Industrial Relations.

The Department is responsible for administering programs that (1) provide an income contribution for workers to offset the loss of a job because of injury; (2) provide an income contribution for workers to offset the loss of a job because of layoff; (3) mediate and issue resolutions between certain management and labor groups; (4) regulate wages for public works and construction projects; (5) promote safe working environments; (6) enforce Missouri's anti-discriminatory statutes and protect Missouri citizens in the areas of housing, employment and public accommodation; (7) promote equal access and full participation for all individuals with disabilities; and (8) investigate allegations of workers' compensation fraud and noncompliance.

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The following programs operate under the Office of the Director.

## Internal Security Unit

This unit performs internal reviews and audits. It also investigates and pursues employee security, as well as operational modifications for the integrity of agency programs with the Department.

## Caring Communities

Caring Communities seeks to improve results for children and their families by changing the way services are delivered. Caring Communities strives to make changes through organization, financing and governance at the state, community, neighborhood and school levels. The program seeks to increase the number of parents working; make children and families safe and healthy; prepare children to enter school; expand the number of children succeeding in school and prepare youth for productive adulthood.

Eight state departments have teamed together to assist the local communities in designing services that are appropriate for more than 100 neighborhoods.



*The Missouri Department of Labor and Industrial Relations' Caring Communities representatives.*

## School-to-Careers

This program is an initiative designed to better prepare all youth to enter the workforce by linking students and the education process more closely with the world of work. Missouri was awarded a five year federal grant in 1996 to provide funding at the regional and local levels to implement specific activities, such as job shadowing, mentoring and apprenticeships, all designed to assist in meeting the workforce needs of the local area. Staff represents the Department on the inter-departmental management team.

Emphasis in the School-to-Careers initiative is placed on collaborative planning involving education, parents, students, business, labor, state agencies and other interested parties. The system provides a statewide framework, but depends on a

community based grassroots effort, thereby increasing students' awareness of workplace opportunities and training for the skills they will need to successfully pursue their career goals.

## **Occupational Safety and Health Program (Research & Analysis)**

The Occupational Safety and Health Act of 1970 implemented regulations requiring most private industry employers to maintain records and prepare reports on work-related injuries and illnesses. The Bureau of Labor Statistics (BLS) was given the responsibility to develop a comprehensive statistical system for work-related injuries, illnesses and deaths in private industry. In 1972, BLS, in cooperation with many state governments, designed an annual survey to estimate the number and frequency of work-related injuries and illnesses by detailed industry for the nation and for states participating in the survey. The survey information is valuable to the safety community to assist with allocating prevention resources.

In 1992, the survey information on nonfatal incidents involving days away from work was expanded to describe the occupation and other demographic information of workers who incur the work-related injuries and illnesses, the nature of the conditions and how they occurred, and the time away from work. The survey reports the incidence rates of injury and illness cases that allow the comparison among industries and establishments of varying sizes. Measures of injuries and illnesses are expressed as a constant to allow for a common statistical base across industries regardless of employment size of establishment. The rates are useful to evaluate the safety performance of a particular industry over time or to compare an industry's safety record between states.

The Survey of Occupational Injuries and Illnesses is a federal/state program in which employer reports are collected from private industry employers. Survey data are obtained from employers having 11 or more employees in agricultural production, and from all employers in agricultural services, forestry and fishing; oil and gas extraction; construction; manufacturing; transportation and public utilities; wholesale trade; retail trade; finance, insurance and real estate; and services (except private households). The Mine Safety and Health Administration of the U.S. Department of Labor and the Federal Railroad Administration of the U.S. Department of Transportation provide information for employees who are covered by other federal safety and health legislation. State agencies collect and process the survey data and prepare estimates using standardized procedures established by BLS to insure uniformity and consistency between states. Survey reports from approximately 5,400 private industry establishments are processed annually by the Missouri Department of Labor and Industrial Relations in cooperation with the Bureau of Labor Statistics.

## **Occupational Safety and Health Data Collection (Research & Analysis)**

The Occupational Safety and Health Administration (OSHA) established the Log Data Collection (LDC) in 1995, to annually collect and compile data concerning occupational injuries and illnesses. The LDC supplies establishment-level data to use in targeting enforcement and offering compliance assistance. The LDC also measures OSHA's performance in meeting its goal of reducing workplace injuries and illnesses. OSHA Occupational Injury and Illness Data Collection Forms are collected and processed by the Missouri Department of Labor and Industrial Relations.



# **DIVISION OF EMPLOYMENT SECURITY**

The objective of the Division of Employment Security (DES) is to collect contributions from employers and pay unemployment benefits to individuals who are eligible under the law.

Costs for operating the Division and the major part of its programs are paid from federal grants. The grants are derived from federal payroll taxes paid by employers and are made available by congressional appropriations.

The Division of Employment Security and the Division of Workforce Development continue to operate through partnership to help unemployed workers return to work as quickly as possible. This partnership is essential to ensure that claimants in need of reemployment services are referred to the appropriate service providers. One mechanism DES has successfully used to refer claimants to reemployment is the Eligibility Review program. This program is a method to review the claimants' eligibility for UI benefits and to provide information on the Missouri Career Center where reemployment services can be obtained. Missouri's law requiring claimants who are not job attached to report in-person once every four weeks to a Missouri Career Center also facilitates the reemployment of claimants. Reemployment services provided by DWD have a positive impact on assisting these claimants reenter the labor market, and thereby reduce the duration of their unemployment, as well as the costs to employers and the Unemployment Trust Fund.

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The following programs operate under the Division of Employment Security.

## **Unemployment Insurance (UI) Program**

The UI program was established in 1935 as a joint federal/state system. The Federal Unemployment Tax Act (FUTA) established a federal payroll tax on employers to pay for states' costs of administering the UI system. Title III of the Social Security Act (SSA) provides the authority for states to receive administrative grants on the condition that their unemployment insurance laws comply with the provisions of the SSA.

UI programs provide partial protection against loss of wages for workers who become unemployed through no fault of their own. The unemployment benefits paid to insured workers help boost the economy of the state during periods of economic downturn by helping maintain the level of consumer purchasing power. These payments also provide a financial safety net to unemployed workers and their families until they can become reemployed.

Benefits payments under the state's regular program are made from a trust fund, which is supported by employer contributions and payments by certain governmental and nonprofit employers who reimburse the trust fund in lieu of paying contributions. No part of the contribution is deducted from workers' wages.

The key components of the UI program are: 1) determining employer liability and collecting employer contributions; 2) maintaining wage records for all covered workers; 3) determining claimant eligibility and making benefit payments; and 4) providing due process to employers and claimants by holding appeal hearings.

## **Contributions**

There are approximately 128,000 employers in Missouri who are liable for unemployment insurance coverage for their employees. These employers file quarterly contribution and wage reports with the Division of Employment Security to report their workers' earnings. During the past fiscal year, employers have paid \$237,462,090 in contributions to the UI trust fund. The Division's contributions staff ensures that employers are properly classifying their workers, reporting their workers' wages and paying the correct contributions (taxes) on the workers' wages. Correct reporting helps to ensure the prompt payment of unemployment benefits to insured workers during periods of unemployment.

Missouri statutes provide that an employer's contribution rate is determined by the experience of its account. An account is maintained for each employer in which contribution payments are credited and unemployment benefits are charged. An employer's contribution rate is based on the relationship of its account balance to its average annual payroll. The experience rating provision is an incentive for employers to maintain stable employment.

The contributions staff provides assistance to employers, accountants, attorneys and public officials on a daily basis to answer questions and obtain voluntary compliance with the Missouri Employment Security Law. Continuing education is provided to employers through seminars in conjunction with the Internal Revenue Service and the Missouri Department of Revenue. Educational materials are provided with quarterly wage reports forms mailed to employers.

## **Employer Audit Program**

Contributions staff members located throughout the state are involved with audits of employer records as well as other functions related to the proper collection of employers' wage reports and unemployment contributions. The state is federally mandated to conduct audits of at least two percent of all active employers each year. These audits help to ensure employers are properly reporting their workers for coverage of unemployment insurance and paying contributions to the trust fund used exclusively for benefit payments.

## **Tax Performance System**

The Tax Performance System (TPS) is a federally mandated program designed for the review of all the major contribution functions. Results of the TPS reviews are compared to federally established performance measures and evaluated for applicable improvements to the contributions program. Staff training is conducted quarterly based on findings of the tax performance reviews.

## **Unemployment Benefits**

The Division has a network of four Regional Claims Centers located in Jefferson City, Kansas City, Springfield and St. Louis. Through the four Regional Claims Centers, unemployed Missouri workers, including those who live out of state, can file unemployment claims. The Division provides convenient access to filing UI claims by local and toll-free telephone calls. Individuals may now also file their new, renewed or reopened claim via the Internet.

A person must have worked in employment covered under the Missouri Employment Security Law and earned qualifying wages in order to be entitled to unemployment benefits. Detailed wage records are kept on every worker reported by employers on the quarterly contribution and wage reports. The wage records permit the prompt determination of benefits entitlement when an initial unemployment claim is filed.

Eligible claimants can qualify for up to 26 weeks of unemployment compensation under the Regular Benefit Program. During periods of high unemployment, the Extended Benefit Program provides up to 13 additional weeks of entitlement for the long term unemployed who have exhausted all regular program entitlement and who meet extended benefit eligibility requirements. The Extended Benefit Program is financed equally by the state unemployment compensation trust fund and the U. S. Department of Labor. Due in part to federal legislative changes, extended benefits have not been paid in Missouri since 1982.

Claimants who are monetarily eligible for benefits based on their past earnings are subject to non-monetary provisions which relate to job separation and eligibility criteria while unemployed. Separation from employment for reasons other than lack of work or refusal of suitable work will raise an issue with a potential disqualification or denial of benefits. Division staff is required to make an investigation, weighing all the facts involved in accordance with requirements of the law.



## **Interstate and Combined Wage Claim Programs**

Interstate and Combined Wage Claims benefit unemployed individuals who have moved from Missouri or have worked in more than one state. Under the Interstate Benefit Payment Plan, which is subscribed to by all states, an unemployed worker who has since moved out-of-state from where formerly employed can file a claim for unemployment benefits against that state by contacting an unemployment insurance office in the United States, Puerto Rico, Virgin Islands or Canada.

Missouri also subscribes to the Interstate Arrangement for Combining Wages. This plan permits the wages earned in a number of states to be combined under a single claim to enable an individual who has worked in more than one state to qualify for unemployment insurance benefits.

## **Federal Unemployment Claims Programs**

The Division's regular claim process provides convenient unemployment services to former federal civilian workers through the Unemployment Compensation for Federal Employees (UCFE) program and to former military personnel through the Unemployment Compensation for Ex-service Persons (UCX) program. Missouri acts as an agent for the federal government by taking and processing the initial and weekly claims for these workers. Benefit checks are paid to claimants through the regular claim process, and the federal government reimburses the Division of Employment Security.

## **Special Federal Unemployment Programs**

The Division administers special programs authorized and funded by the U. S. Department of Labor for the payment of benefits to individuals determined eligible. These special programs include Disaster Unemployment Assistance (DUA), Trade Adjustment Assistance (TAA) and the North American Free Trade Agreement (NAFTA). In the case of DUA, when a disaster is declared by the President, Regional Claims Centers serving the affected areas take claims and authorize the payment of these federal benefits to eligible individuals. TAA and NAFTA worker assistance is awarded based on application to the federal government by companies undergoing a downsizing or permanent business closure as a result of imports or jobs being moved out of the United States. Individuals eligible for TAA and NAFTA receive weekly payments of Trade Readjustment Allowances (TRA) while in training and income subsistence to help through the retraining period.

## **Shared Work Program**

Starting in October 1987, Missouri implemented a Shared Work Program. Shared work plans can be beneficial to both employers and workers. Shared work allows employees of participating employers to receive a percentage of their weekly unemployment benefit in exchange for reducing their hours of work. Shared work allows employers to establish a plan to divide the available hours of work among a specified group of affected employees in lieu of a lay-off. The reduction in hours must be at least 20 percent (but not more than 40 percent) and the plan must apply to at least 10 percent of the employees in the affected unit. In return, the employees can receive from 20 percent up to 40 percent of their weekly unemployment benefits. The benefits are not reduced due to earnings. All unemployment benefits paid under the Shared Work Program are charged to each participating employer and in some cases may raise the employer's contribution rate. Employers voluntarily elect to participate in the program in order to retain their trained employees.

## **Benefit Payment Control**

The Division conducts a Benefit Payment Control Program to detect and prevent improper unemployment insurance payments. The two primary methods of overpayment detection is a quarterly cross match of employer wage reports and cross match of new hire data with unemployment benefit payments. Missouri also conducts a quarterly cross match with

other states. Collection of overpayments is a high priority in the benefit payment control program. When overpayments are recovered, the monies are returned to the trust fund, making the funds available for benefit payments and thereby saving employers' contributions to the trust fund.

When overpayments are discovered, they are returned to the trust fund. This ensures benefits are available for eligible claimants.

## **Benefit Accuracy Measurement Program**

The Benefits Accuracy Measurement (BAM) program is a federally mandated quality control program that randomly selects and investigates unemployed claims to determine the accuracy of benefit payments. Results from the data collected by the BAM staff are used to identify areas for training, procedural changes and other activities that can improve benefit payment accuracy. Efforts to continuously improve the benefits functions positively impact employer costs and assist in ensuring unemployed workers are properly paid benefits when due.

## **Unemployment Insurance Required Reports**

Costs for administration of the UI contributions and benefits activities are federally funded by Congressional appropriations of monies collected from employers through the Federal Unemployment Tax Act. In order for the state to receive funding for the unemployment insurance program, various workload data must be reported to the U. S. Department of Labor (USDOL). The UI Reports' staff provides monthly and quarterly data to USDOL on an on-going basis.

## **Child Support Enforcement**

Public Law 97-35, enacted August 13, 1981, revised the federal Social Security Act to allow the collection of delinquent child support payments through the withholding of unemployment insurance benefits. The passage of House Bill 1521 authorized the procedure under Missouri Law. The law provides for voluntary compliance or garnishment of UI benefits for child support. Deductions from unemployment benefits for delinquent payment of court-ordered child support resulted in nearly \$4.1 million being paid for the support of Missouri's children during state fiscal year 2001.

## **Income Tax Intercept**

The Division of Employment Security utilizes Chapter 143, RSMo, 1995, to intercept state income tax refund checks from individuals who have outstanding debts with the Division. The Department of Revenue is a partner in securing the repayment of funds owed to the state. State income tax refunds are intercepted for payment of delinquent employer contributions and repayment of unemployment benefits, which were overpaid due to the fault of the individual claiming benefits. During fiscal year 2001, the total amount intercepted through this program for delinquent contributions and overpaid benefits totaled \$1,406,497.

## **Appeals (Administrative Hearing Program)**

The Appeals Section is mandated under the Social Security Act to hold evidentiary hearings and issue decisions regarding any administrative determination made by the Division of Employment Security if the parties to that determination believe it is in error. This includes benefit entitlement, unemployment tax liability and collection matters, as well as any determinations under federal programs administered by the Division. The public benefit of this program is that persons who believe the agency has made an incorrect determination under the law have a mechanism to have that action reviewed.

# **DIVISION OF LABOR STANDARDS**

The Reorganization Act of 1974 created the Division of Labor Standards by combining the Divisions of Industrial Inspection, Mine Inspection and Prevailing Wage.

The Division currently consists of three sections: Wage and Hour, On-Site Safety and Health Consultation Service and Mine and Cave Safety and Health.

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The following programs operate under the Division of Labor Standards.

## **Child Labor**

This program protects the health and safety of working youth by assuring they are not working in prohibited or hazardous occupations. The Division helps children receive quality education by enforcement of time and hour restrictions.

The Law ensures that no child younger than 16 is employed in an occupation that is detrimental to the child's safety, health, morals, educational processes or general well-being. With the exception of entertainment industry employment, no child younger than 14 may work in any occupation, unless specifically allowed.

Regular educational sessions are provided to educators, employers, parents and school officials on their rights and responsibilities under the Law. By receiving information, employers are able to better understand their needs, and when, where and how to allow children to work for their best interest. The Division ensures that youth are working within the parameters of Missouri law, which reduces those negative behaviors and incidents.

## **Prevailing Wage**

The Prevailing Wage Program determines wage rates that are paid to construction workers employed on Missouri public works projects. The Division ensures that proper wages are paid to workers through our enforcement efforts. Information and educational sessions are provided to contractors, public bodies, workers and their representatives to assist them in understanding their rights and responsibilities under the Law.

Determination of wage rates occurs for each individual county. Wage information, including fringe benefits, is submitted for the previous year's work. It includes both survey forms and collective bargaining agreements. This allows the prevailing wage rate for each county to reflect the actual rates paid in each county.

Enforcement of the law helps workers obtain the wages due them. It also assists contractors that are bidding on public works projects to bid on equal levels. Since the wage rates are based on rates paid in each county, it helps local contractors get work.

## **Safety and Health/Child Labor Consultation Program**

This program assists all partners in School-to-Careers with workplace safety and health program management and safety and health training. It also provides education in child labor laws, youth and employer rights and responsibilities training. It provides organizational training, research and development of databases and resources, plus creation and dissemination of informational materials to all regional and local partners.

This program is unique in its direct connection with all statewide School-to-Careers activities. Both regional and local partners are provided with "Train the Trainer" skills. This approach allows Missouri's School-to-Careers program to

reach many more partners. This better communicates the importance, in all School-to-Careers processes, of combining workplace safety and health awareness with the reasons for, and requirements of, state and federal child labor laws. Statewide presentations to school superintendents, employer organizations, teachers and student groups provide information on both rights and responsibilities of all partners involved in youth employment.

Youth are better protected in the workforce, leading to fewer injuries and a better quality education. Employers are aware of their responsibilities and experience less potential for worker injuries, penalties and fines. School officials are better prepared to help their students determine rewarding career paths.

## **Wages, Hours, Dismissal Rights and Minimum Wage**

The Division answers questions for the public about issues such as breaks, lunches, vacations, hiring, wage levels, dismissals, discipline and other related categories. The program responds to calls, letters, e-mail and in-person requests for information on Missouri's Wage and Hour, Dismissal Rights and Minimum Wage Laws. The Division has no enforcement authority in these areas. Employers and employees are only provided information on their workplace rights and responsibilities. Assistance with resolving their concerns is provided by giving proper procedures or referrals to other agencies with more authority. While the Division has no wage collection authority, procedures are provided for those individuals seeking such assistance. The Division also provides regular educational seminars on these topics, some of which are in conjunction with the U. S. Department of Labor.

The information provided assists thousands of workers and employers with knowing their rights and responsibilities under Missouri's Wage and Hour Laws. Because they gain a better understanding of the law's requirements, they are better able to comply with them. Employers are then less likely to be subject to fines and penalties. Workers are also able to address their concerns if they know their rights. Many requests for information that are received are out of the Division's area of authority. In these instances, the requester is given contact information for other areas of assistance.

## **On-Site Safety and Health Consultation Program**

This program has served the business community of Missouri since 1979. Its function is to help small business employers comply with complicated federal Occupational Safety and Health Administration (OSHA) regulations relating to their employees' safety and health. This program provides Missouri small business employers with a no-cost, no-fine, on-site consultation visit.

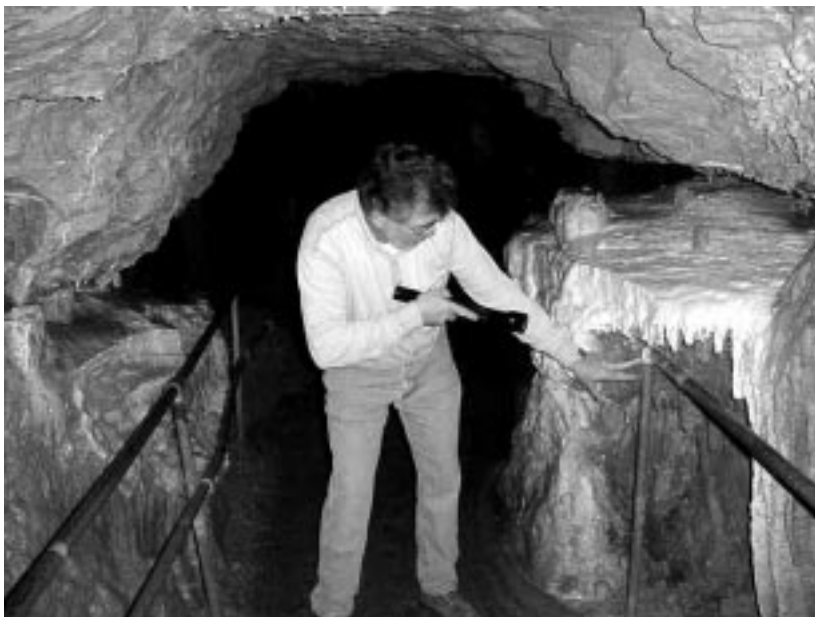
Professionally trained Safety and Health Consultants visit the facility. They identify and recommend corrections for serious safety and health hazards in the workplace. The consultants also provide chemical or noise analysis at no cost to the employer. This service helps protect Missouri's workers while assisting the small business employers to stay competitive in the changing marketplace. This is accomplished by advising employers how to abate serious hazards, initiating safety and health programs and by training workers. All of this assistance reduces employer costs associated with preventable accidents, illnesses, needless equipment damage and possible OSHA fines.

This program also recognizes the top-level of employers practicing safety and health performance. The special recognition is called the Safety and Health Achievement Recognition Program (SHARP) and is awarded to the most conscientious of Missouri's small businesses. To date, there are 22 SHARP participants, the fourth highest participation in the nation. The SHARP program is a cooperative agreement between OSHA, the state of Missouri and small businesses. Employers do not merely meet the legal safety and health requirements; they exceed them with innovative ideas and enhanced employee involvement with their own safety and health programs. In addition, OSHA has such confidence in the SHARP employers that it rewards these participants by removing them from their general inspection list.

## Mine and Cave Inspection Program

This program regularly inspects open mines and caves, which are open to the public, for safety and health hazards. The Division provides consultation services to the mine and cave owners. Safety and health inspections are conducted on a regular basis to find and assist mine and cave owners in abating hazards in the mines and caves. Dust and noise samples are taken to ensure that the quality of work environment meets or exceeds the federal levels. Air quality measurements are taken, in every phase of each inspection, to ensure that miners are not exposed to hazardous levels of a variety of contaminants. The program also assists with coordinating cave and mine rescue efforts.

Each fiscal year, the Mine and Cave Inspection Program conducts safety and health inspections of mines and caves. Underground mines are inspected four times a year and surface mines are inspected twice per year. There is an inspection fee based on the tonnage reported by the mine owner. Caves are inspected prior to opening and once after opening to the public. A fee of \$35.00 is assessed to the cave owner.



*Denny Mathes of the Division of Labor Standards performs a cave inspection.*

## Mine Training and Retraining Program

This program trains miners in the practice of implementing safe and healthy working habits in the workplace. Other areas include mine rescue, first aid, cardiopulmonary resuscitation and other mine and related topics. The training provided is in conjunction with the Federal Mine Act of 1977.

After participating in this training, the workforce is better trained and more qualified. Workers are safer, healthier and more aware of job hazards at their work environments. Mine owners then experience reduced accidents, injuries and fatality rates; thereby leading to higher morale, lower workers' compensation costs and higher productivity.



# **DIVISION OF WORKERS' COMPENSATION**

The Division's primary functions are to maintain a database of all injuries that occur in the state and provide prompt and equitable resolution of all cases of work-related injuries and occupational diseases. The Division's administrative organization is designed to promote a fair and equitable settlement between the parties, resulting in a minimum of formal litigation.

The Division does not receive state general revenue funding. Administrative costs are paid from the Workers' Compensation Administration fund. Employers finance the fund by paying an annual tax of up to two percent on their net workers' compensation insurance premiums. The taxes on self-insured employers are based on an estimated premium.

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The following programs operate under the Division of Workers' Compensation.

## **Workers' Compensation Program**

Most Missouri workers are covered under workers' compensation. Under the law, all employers with five or more employees must carry workers' compensation insurance. Employers in the construction industry must comply if they have one or more employees. Covered employers must provide approved workers' compensation insurance. When a worker has a compensable injury, the employer's insurance company pays the medical bills and replacement wages at the limits set by law.

Any injury caused by the job is covered. Workers are covered from the first minute they are on the job and that protection continues anytime that they are working for their employer. The employee, if injured on the job, notifies his or her employer of the injury. The employer then is required to notify its insurance company within five days of receiving notification from the employee. The insurance company is required to report the injury to the Division of Workers' Compensation within five days.

## **Second Injury Fund**

In 1943, the Workers' Compensation Law was amended to benefit the physically handicapped and individuals with a previous work-related disability. This change helped employers by limiting liability to only the subsequent injuries that resulted in permanent total disabilities. When an employee is injured, with the combined effect of the injury and prior disability resulting in permanent total disability or increased permanent partial disability, the employer, at the time of the last injury, is liable only for compensation for the most recent injury. The remaining compensation due is paid from the Second Injury Fund.

Liability for the fund was expanded in 1955 to include any permanent partial disability, compounded by a subsequent injury, without restriction as to type or extent. The fund also pays medical and death benefits for injuries incurred by employees working for an employer who is uninsured. Lost wages from a second job may also be payable from the Second Injury Fund.

## **Fraud and Noncompliance Unit**

The Fraud and Noncompliance Unit was created in 1993 with the passage of Senate Bill 251. The unit is charged with conducting confidential investigations of all allegations of workers' compensation fraud and noncompliance throughout the state of Missouri. Over 1,000 allegations of fraud and noncompliance are received and investigated annually.

The unit assists the Department in meeting its strategic issues by improving investigative response time and the quality of investigations. Faster resolution of complaints and more employers in compliance will result in employees receiving workers' compensation benefits quicker, lower workers' compensation premiums for employers, reduce the number of claims to the Second Injury Fund and allow insurance companies to collect proper premiums for the risk they insure. Ensuring all employers are compliant with the workers' compensation laws provides a level economic playing field for all businesses.

The unit staff participates in educational seminars and fraud detection training. Staff conducts educational outreach presentations for the public, including employer and employee organizations, civic organizations, insurance companies, legal associations and other groups, about properly complying with the Missouri workers' compensation laws.

## **Mediation**

In January 1995, the Division of Workers' Compensation implemented a Dispute Management Program to mediate disputes that may arise soon after a workplace injury occurs. Mediators receive requests and referrals, typically concerning medical treatment and lost wage disputes between employers and employees. This is a voluntary process and both parties must agree to mediate. When one of the parties does not agree to mediate, the case is referred to a local workers' compensation office for further proceedings. This system of early intervention has been highly effective in facilitating communications and resolving issues between the injured employee and their employer. This program saves both time and money for the parties.

## **Medical Fee Disputes**

The goal of this program is to facilitate the resolution of medical fee disputes arising among health care providers, employers and insurers. Disputes arise when the health care provider is authorized by the employer to provide medical treatment but has not received payment, or has received only partial payment of the medical bill(s). The Division provides a method to encourage informal resolution of the dispute. If the informal method is unsuccessful, the Division provides a forum for mediation or schedules a hearing to resolve the dispute.

## **Physical Rehabilitation**

The Physical Rehabilitation program helps to restore an injured worker to a condition of self-support and maintenance as an able-bodied worker. The Division's supervision of physical rehabilitation is limited to determining if the employee's injury qualifies for an additional \$40 per week benefit, which is paid from the Second Injury Fund. The injured employee must obtain therapy in a Division-certified facility to be eligible for the additional benefits. The rehabilitation benefit is paid for a maximum of 20 weeks, except in unusual cases, which may qualify the employee for a special order extending treatment.

Certification of physical rehabilitation facilities is another responsibility of the program. For facilities to be certified, they must meet function, personnel, equipment, quality and adequacy standards as defined by the Division.

## **Self-Insurance**

Self-Insurance is an alternative to traditional workers' compensation insurance coverage. Larger employers may apply to self-insure individually and mid-size to smaller employers may find group trusts a viable alternative. Individual employers seeking to self-insure must prove financial stability and administrative soundness. In addition, employers must secure liability either by posting a surety bond or by depositing required funds in escrow. To assure that funding is available to pay injured workers, the Missouri Private Sector Individual Self-Insurers Guaranty Corporation was established in 1992. The Guaranty Corporation collects assessments to fund and process workers' compensation cases of members who may become insolvent.

In addition to regulating the issuance and maintenance of self-insurance authority, the insurance unit is responsible for proof of coverage.

## **Vocational Rehabilitation**

The Vocational Rehabilitation Program is voluntary. Employers may use the service to provide job retraining to severely injured employees. To conserve state resources and reduce duplication of services, an interagency agreement has been entered into with the Department of Elementary and Secondary Education and the Division of Vocational Rehabilitation to provide this service. This program benefits both the employer and employee.

## **Missouri Workers' Safety Program**

The Missouri Workers' Safety Program is responsible for the administration of a law requiring all insurance carriers writing workers' compensation insurance in Missouri to provide comprehensive safety engineering and management service to employers. The safety program is in charge of certifying insurance carriers and self-insured's safety programs, as well as maintaining a registry of certified safety consultants and engineers.

The program certifies and maintains a registry of safety consultants and engineers and certifies safety programs of self-insured employers and workers' compensation insurance carriers. The program also investigates complaints against insurance carriers, monitoring the impact of safety services being provided by insurance carriers, performing on-site inspections and analyzing injury and illness data provided by carriers. The program also promotes workers' health and safety through educational and other innovative programs.



*Shannon Foster (left), safety specialist for The Helping Hand of Goodwill in Kansas City, MO and Missouri Workers' Safety Program Safety Consultant Eric Hallerud during an on-site visit.*

## **Kids' Chance Scholarship Fund**

The Kids' Chance Scholarship Fund provides educational scholarships to children of workers seriously injured or killed in work-related accidents. The loss of a primary wage earner in the family may result in inadequate available funds for dependents to attain higher education goals and may lower the child's lifetime earning capacity. From the interest earned on this fund, scholarships based upon financial need enable children who may not otherwise attain further training to gain improved skills, education and improved career paths. In addition to the requirement that the recipient be a child of a parent seriously injured or killed in a work-related accident, the child must be a Missouri citizen, be accepted for enrollment in a public or private Missouri institution and must show financial need.

## **Crime Victims' Compensation Program**

The program assists victims of violent crimes who have suffered physical or psychological injury as a direct result of a crime. In the case of the death of the victim, the program provides assistance to the victims' dependents. Benefits are limited to a total of \$15,000 payable for medical costs, counseling, lost wages, loss of support and certain miscellaneous expenses incurred by or on behalf of the victim.



The law's fundamental purpose is to assist violent crime victims through a period of financial hardship. The program acts as a payer of last resort. Pursuant to Section 595.035.2, RSMo, the Crime Victims' Compensation Fund is not the primary payer, but rather a public, quasi-charitable fund. The program is funded from a combination of criminal court fees, offender fines and an annual federal match. Fines are calculated on a graduated scale depending on the seriousness of the criminal offense. The Division's administrative law judges resolve any disputes about eligibility.

# GOVERNOR’S COUNCIL ON DISABILITY

The mission of the Governor’s Council on Disability is to provide leadership and support to nearly one million Missourians with disabilities so they may achieve equal opportunity and independence. In addition, the Council assists state government in complying with state and federal laws relating to people with disabilities and to develop policies that eliminate barriers for people with disabilities. The Council accomplishes its mission through information dissemination, providing technical assistance, policy analysis, training, advocacy and consultation. The duties of the Council are specified in Missouri Revised Statutes, Chapter 191, Section 191.859 and Chapter 286, Section 286.205. The 21 members of the Council represent various ethnic, age, gender, and physical and mental disability groups. Council members are appointed by the governor. Council staff is based in Jefferson City, St. Louis and Kansas City.

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The following programs operate under the Governor’s Council on Disability.

## **Missouri Assistive Technology**

Missouri Assistive Technology was established by state statute in 1993 with a mission of increasing access to assistive technology for all Missourians with disabilities. The Missouri Assistive Technology Council directs Missouri Assistive Technology programs. The Council includes 12 consumers, two state legislators, two non-designated agency or organization representatives, and seven agency representatives who represent the primary funding sources for assistive technology. These seven agencies are Vocational Rehabilitation, Rehabilitation Services for the Blind, Special Education, Medicaid, Mental Health, Health and Senior Services and Insurance.

## **Equipment Technology Consortium (ETC)**

The ETC is a statewide short-term assistive device loan program for school districts and agencies. The program offers over 690 pieces of equipment divided between 10 different categories of assistive technology.

## **Kids Assistive Technology Program (KAT)**

This program assists children with disabilities under the age of 21 who are in need of assistive technology and/or housing access modifications. This program is designed to help children when no other funding is available.

## **Telecommunications Access Program for Telephone (TAP)**

The TAP is a telecommunications equipment distribution program established by the state of Missouri. The purpose of this program is to provide adaptive telephone equipment to any individual who is certified by a licensed physician, audiologist, speech pathologist or a qualified state agency as having a disability. The disability must prevent the use of traditional telephone equipment to place voice grade local and long distance calls.

## **Telecommunications Access Program for Internet (TAP)**

The TAP expands the telecommunications access program into basic Internet access. Through TAP for Internet, qualified Missourians with disabilities who have a computer and Internet access are provided adaptations (such as screen readers, enlarging software, voice input software, alternative keyboards and mouse alternatives) to assure effective and efficient Internet access.

## **Equipment Exchange Program**

This program offers consumers and providers a statewide equipment exchange program.

## **Missouri Business Leadership Network (MOBLN)**

The MOBLN encourages best practices for employment of people with disabilities and enhances employment opportunities for people with disabilities. The MOBLN engages employers in a focused, peer-to-peer effort to market the benefits of hiring qualified applicants with disabilities. The MOBLN hosts forums on disability employment issues and disseminates information to help employers meet their human resource needs in a diverse workforce. MOBLN has active chapters throughout Missouri, including St. Louis, Kansas City, Columbia, Springfield and Cape Girardeau. Over 300 companies operating in Missouri are involved in the MOBLN.

## **Missouri Youth Leadership Forum**

Youth with disabilities often feel isolated from their peers and may have unrealistically low expectations for their future. The Missouri Youth Leadership Forum brings together youth with disabilities from across the state in order to build confidence, teach self-acceptance and develop a sense of teamwork and responsibility. Forum participants meet role models including Missouri Legislators and adults with disabilities who are successfully employed. The Forum motivates participants to remain in school and consider college as a viable option. The leadership skills that Forum participants gain will help them become the business and community leaders of tomorrow.

# MISSOURI COMMISSION ON HUMAN RIGHTS

The Missouri Commission on Human Rights envisions a bias-free society. The mission of the Commission is to develop, recommend and implement ways to prevent and eliminate discrimination and to provide equitable and timely resolutions of discrimination claims through enforcement of the Missouri Human Rights Act.

The Commission responds to complaints of alleged discrimination in employment, housing and public accommodations based on race, color, religion, national origin, ancestry, sex, physical/mental handicap, age (40-70 employment only) and familial status (housing only). The Commission receives, investigates, settles or conciliates complaints of alleged discrimination and conducts public hearings. The Commission also certifies local commissions, establishes relationships with federal and local civil and human rights agencies, implements educational or research programs and develops ways to prevent discrimination.



*Donna Cavitte, executive director of the Missouri Commission on Human Rights, greets a guest at the 2000 Human Rights Conference.*

The following programs operate under the Missouri Commission on Human Rights.

## Alternative Dispute Resolution/Early Resolution Program

The Early Resolution Program is the commission's alternative dispute resolution mechanism. Commission staff facilitate creative problem solving between the parties to negotiate a solution to their mutual conflict. Early Resolution is a fast and effective method of resolving disputes in a non-judgmental manner and at a lower cost to the parties and the state. Early Resolution is offered to the parties after the filing of a complaint but prior to a factual investigation.

In fiscal year 2001, 50 parties settled disputes during the Early Resolution process. These settlements had a monetary value of \$531,175.

## Complaint Intake and Investigation

The Missouri Human Rights Act requires the Commission to receive and investigate complaints of alleged discrimination in the areas of housing, employment and public accommodations due to race, color, religion, national origin, ancestry, sex, disability, age (in employment only) and familial status (in housing only). Any person claiming to be aggrieved by an unlawful discriminatory practice may file a written complaint with the Missouri Commission on Human Rights within 180 days from the date of the last act of alleged discrimination. After the filing of any complaint, the executive director, with the assistance of the Commission's staff, makes a prompt investigation. If the Director determines that probable cause exists for crediting the allegations of the complaint, the Director tries to eliminate the unlawful employment practice by conference, conciliation and persuasion.

In fiscal year 2001, 55 parties settled disputes during the investigation. These settlements had a monetary value of \$255,109.

## **Conciliation and Public Hearings**

The Missouri Human Rights Act provides for public hearings to be held after an investigative finding of probable cause. Attempts are first made to resolve the matter by conference, conciliation and persuasion. If these conciliation attempts fail, then the chairperson decides whether to set the case for the public hearing. The Attorney General's Office prosecutes the cases set for hearing before a hearing examiner. A panel of three commissioners' issues the Commission's finding and order.

In fiscal year 2001, eight parties settled disputes during Conciliation. These settlements had a monetary value of \$55,778. During the same period, nine complaints were resolved while the complaint was in the hearing stage. Settlements at hearing and hearing panel orders had a combined monetary value of \$93,315.

# STATE BOARD OF MEDIATION

The State Board of Mediation is a quasi-judicial Board created by an act of the General Assembly in 1947 to mediate public utility disputes. Since 1967, the Board has been charged with the responsibility of determining an appropriate bargaining unit of public employees, based on their community of interests. It also conducts secret ballot elections to determine exclusive bargaining agent status. The Board has authority to mediate disputes in the area of public utilities regarding wages and working conditions.

The Law provides that public bodies and their exclusive bargaining representative shall meet, confer and discuss proposals relative to conditions of employment. The results of these discussions are reduced to writing and presented to the appropriate administrative body for approval, rejection or modification.

Currently, the Law covers all public employees in Missouri except police, deputy sheriffs, Missouri highway patrolmen, Missouri National Guard and all teachers of Missouri schools, colleges and universities. Under Missouri statute and case law, public employees have the right to join a union; however, they have no right to strike or to enforce any agreement that they may reach with the public employer.

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The following program operates under the Board of Mediation.

## **Public Sector Bargaining**

The Board is statutorily empowered with the responsibility of determining an appropriate bargaining unit of employees based on whether or not they share a community of interest. The Board also determines majority representative status by conducting an election. Appeals from a decision of the Board may be taken to the circuit court. Jurisdiction encompasses all counties, municipalities, school districts and departments of state government; however there are some statutory exceptions.

# FINANCIAL SUMMARY

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**Missouri Department of Labor and Industrial Relations**  
**Appropriation Summary**  
**Fiscal year July 1, 2000 to June 30, 2001**

<b>Division</b>	<b>Total Appropriations</b>
Director and Staff .....	\$ 20,369,044.00
Labor and Industrial Relations Commission.....	\$ 891,693.00
Division of Employment Security .....	\$ 45,129,184.00
Division of Labor Standards.....	\$ 3,199,282.00
Division of Workers' Compensation .....	\$ 40,954,321.00
Governor's Council on Disability.....	\$ 2,503,220.00
Missouri Commission on Human Rights .....	\$ 2,303,328.00
State Board of Mediation.....	\$ 178,213.00
<b>Total.....</b>	<b><u><u>\$115,528,285.00</u></u></b>







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